CC 96-45

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AMERICAN LIBRARY ASSOCIATION
Statement
of
ALA President Betty Turock

before the
Federal Communications Commission
and the
Joint Board
on
Universal Service
April 12, 1996

On behalf of the American Library Association, I would like to thank the Federal Communications Commission and the Joint Board for this opportunity to discuss universal service policies and the role our Nation's libraries and schools can serve as vehicles for universal service. I will be paraphrasing my remarks from the written testimony which we submitted earlier.

I am especially proud to be able to represent ALA here because "Equity on the Information Superhighway" -- getting libraries on that information superhighway -- has been the focus of my year as president of the American Library Association. Nothing else happening today offers more challenge and more opportunity for our nation's libraries than the evolution of the electronic national information infrastructure. My colleagues, and the library users they serve, look to these proceedings on universal service as an important opportunity to assure equity of access to the information superhighway. The principles of equity are anchored in the values of librarianship. Values to which we can all subscribe.

The new Telecommunications Act of 1996 has mandated for the first time that our Nation's universal service policies, the most effective in the world, incorporate libraries and schools. I will discuss major points made in the ALA Comments filed in response to your Notice of Proposed Rule Making (NPRM) on Universal Service in CC Docket 96-45.

The primary mission of libraries in the world of electronic information is to provide the American public with access to the full panoply of electronic information resources available either commercially or in the public domain. This mission flows naturally from the traditional role of libraries to provide information, regardless of the format. Libraries serve this mission in the digital age by providing access to global electronic resources such as the Internet's World Wide Web (WWW), by creating and offering their own public information services, and by developing community information infrastructures.

It is vital that libraries be viewed, not as recipients of universal service benefits, but as institutional providers of public access and, hence, as instruments of universal service policy. The global information infrastructure has several characteristics that make traditional universal service concepts ineffective or insufficient. It offers a vast array of services and a wide selection of connectivity options, some of which are relatively expensive

under any system of pricing. Technology is changing rapidly, and many of the most interesting and useful information services are at the leading edge. Thus, the concept of the residence as the sole focus of universal service is much too limited. It is not just a matter of cost but also of sharing scarce resources within communities.

If the policy goal is to see that everyone has full, equitable, and affordable access to the rich resources of the infrastructure, then public institutions such as libraries, schools, health care institutions, and community networks will play a vital role in providing effective access.

Access is not all that libraries provide. Libraries bring organization and structure to the morass of information resources now available electronically. They train users to navigate the networks on their own, expanding libraries' age-old responsibilities in improving literacy, by teaching electronic information skills needed in the modern world.

Providing discounted access for libraries will also generate tangible and significant economic benefits to the telecommunications providers and to the broader information industry in the forms both of avoided costs and increased demand. Benefits to the industry include: 1) increasing market demand for specialized information services; 2) providing public exposure for new services; 3) providing user test-beds for new service; 4) improving user literacy; 5) saving providers at least some advertising and related expenses; and 6) providing these benefits in a competitively neutral manner.

Libraries act in partnership with both the information and communications industries and with government to assure that the public, both individually and as a society, benefits fully from the new electronic media. To do this, libraries need to have affordable access to the broadest possible range of information and communication services; we thus recommend a very broad interpretation of "core," "special," and "advanced" services.

What type of telecommunications services should be provided to libraries and schools at a discounted rate?

ALA proposes that any telecommunications service offered by a carrier commercially under tariff or through contract in a region should be made available to libraries at a discount. Given that the primary mission of libraries is to provide the American public with access to the full range of information sources, libraries require telecommunications services that allow them to support this mission.

How should core residential services be defined?

Regarding core universal services, the description of functionality for core consumer services should be established, among other considerations, by the level of service technology required for entry level access by the public to the Internet.

What type of discount methodology could be used?

Any telecommunications service offered commercially under tariff or through contract in a region should be made available to libraries at the lower of either (1) the lowest price offered to any customer, or (2) the Total Service Long Run Incremental Cost (TS-LRIC). TS-LRIC is a forward looking, incremental cost concept used in the telecommunications and other industries; it covers a company's cost of offering a service and has similarities to a wholesale

price.

We contend that this methodology would not require reimbursement from the universal service fund nor offsets to carrier contributions to universal service obligations except for libraries in rural, insular, and high cost areas.

ALA developed this discount methodology proposal based on several factors. It maximizes the benefits to libraries and schools; minimizes the impact on the universal service fund; evolves as technology evolves; is competively and technologically neutral; and is equitable, efficient and flexible to administer across the nation and among demographic groups.

What consideration should there be for libraries and schools in rural, insular and high cost areas?

ALA recommends that, in addition to the discount recommended above for all libraries, libraries in rural, isolated, and high cost areas should receive further discounts on both core universal services and special services through whatever mechanism is established to average the rates in these areas through the universal service fund. Libraries in rural, insular, and high cost areas have encountered many special barriers to affordable connections due to the same characteristics of these areas that require special attention for residential consumers. For these libraries, telecommunications costs are a much higher percentage of overall library budgets and will require deeper discounts to make services affordable.

What terms and conditions should be required of carriers and libraries and schools to implement the discount mechanisms?

For carriers: ALA recommends that carriers be required to certify that their quoted rate is the TS-LRIC rate and that no customer is being offered the service at a lower rate. Publicly available information would be needed on telecommunications services available commercially in a region under tariff or by contract arrangement.

For libraries: ALA endorses the Commission's suggestion of written certification as that would ensure compliance with the Telecommunications Act's requirements. We have also provided guidance on the educational role of libraries and the resource sharing and technological support role of library agencies, cooperatives, consortia, and networks.

What are libraries doing now - and what is the potential?

The potential and real benefit of recognizing libraries as instruments of universal service is evidenced by the penetration of library services throughout the nation and by public access to electronic information through our nation's libraries.

Public libraries. There are 15,946 public library facilities and 97,976 libraries in public and private schools. A 1990 survey conducted by Louis Harris and sponsored by Equifax, Inc., found that six out of ten Americans interviewed -- representing 66% of 122 million people -- used public library services.

According to research led by Dr. Charles R. McClure for the National Commission on Libraries and Information Science (NCLIS), considering all sizes of public libraries, only 20.9% had some Internet access as of 1994. This falls to approximately 13% for rural

libraries. In this same study, the cost of connection remains the dominant factor affecting library involvement with the Internet. This is especially so in the Midwest and West.

A Public Library Association /PLDS 1995 Survey showed that in libraries serving communities of 100,000 or more, 68.3% have some type of Internet access but only 23.3% provide public access terminals. New information is just now coming in and we expect updated statistics to be included in our Reply Comments

School libraries. The opportunities and the challenges for telecommunications applications in school library media centers (LMCs) is demonstrated in the research conducted by the U.S. National Commission on Libraries and Information Science and the American Library Association in a twelve-state survey. In the NCLIS-ALA survey only one state, Massachusetts, reported that more than half of its elementary school LMCs have computers with modems. Seven of the twelves states reported that more than half of their secondary school LMCs have computers with modems.

Only one state, again Massachusetts, reported that more than half of its elementary school LMCs had Internet connections; the rest of the states fell below 15 percent for elementary schools Internet capability. Three states reported that only a quarter of secondary school LMCs had Internet connections.

In another survey by the Illinois State Board of Education, Center for Learning Technologies, it was reported that, while the average number of computers per school for student instruction was 46, the average number of modems attached to computers was only 1.6. That means only about 3% of school/LMC computers had modem capability.

Even where a school or LMC had dial-in access to outside computer resources, it was used for learning, on average, only 4.3 hours per week. "Furthermore, while the Internet and Illinet On-line were available in about one-third of the schools, these information resources were available to only 16 percent of their students.....Only one-third of the schools had access to regional library system databases, Illinet On-line, library catalogs of other libraries in the area, and the Internet.."

We can provide broad information about the degree of connectivity now available in public libraries and school library media centers but mere access to a simple modem and computer is not effective public access to the information superhighway. Functionalities for libraries must respond to the need for high bandwidth, greater speed capabilities, and so forth.

Consider functionalities for mounting library web sites. To illustrate: the St. Joseph County Public Library, in Indiana, has been collecting information since November 12, 1994, on public library World Wide Web (WWW) sites. They list nearly 200 public libraries that maintain WWW sites in the United States. But this represents only 2 1/4% of the 8,929 public library systems.

Examples of the 200 libraries offering web sites included the Alice County Library District in Gainesville, Florida (http://www.acld.lib.fl.us/), the St. Charles City-County Library District, in St. Peters, Missouri (http://www.win.org/ library/scccld.htm), and the Seattle Public Library, in Seattle, Washington (http://www.spl.lib.wa.us/). Like their counterparts, they maintain WWW sites and make full use of this medium's graphical capabilities to provide information about the libraries' materials, to act as a host to community information, and to provide a neighborhood gateway to national and international resources

such as:

- The Gettysburg address (Library of Congress)
- An early draft of the Declaration of Independence (Library of Congress)
- Clips of the 1996 U.S. Presidential candidates (CNN AllPolitics Web page)
- The Dead Sea Scrolls (University of North Carolina)
- A movie showing the sun's corona (University of Amsterdam, Netherlands)
- A history of traditional Japanese pottery (NJK Company, Japan)
- The Heart: A Virtual Exploration - a Web page put up by the Franklin Institute Science Museum in Philadelphia.
- StockMaster - graphs of stock market activity including the S&P500 and NASDAQ Composite indexes along with data on 452 other companies, hosted at the Massachusetts Institute of Technology Artificial Intelligence Laboratory.

The sites and applications above are literally just a few of the thousands of sites that make use of multimedia formats to provide access to information. Libraries, both as access points and hosts to this type of information, require high speed telecommunications services.

Text-based access to the Internet is not effective public access. Broadband connections are required to provide timely and reasonable public access for all library users and for libraries to develop and mount unique sources of electronic information.

According to the Wall Street Journal (December 27, 1995, B1), it takes approximately 2.3 minutes to download a simple 2 Mb image over a 14.4 Kbps line. A more complex image of 16 Mbs would take 18.5 minutes over that same line, while a short animation or video clip could take 1.4 hours. Over a 56 Kbps ISDN line, a simple image takes 35.7 seconds, a complex image 4.8 minutes, and a short video clip approximately 21.5 minutes to download. Even a 30 second clip of one of the U.S. presidential candidates takes approximately 4 minutes to download over 10 Mbs Ethernet LAN, with a 56Kbps connection. A State of the Union address would take considerably longer.

Our staff at ALA will be glad to provide you with demonstrations and additional information on the panoply of electronic information now available. These are just a few examples of library applications and sources of digital information - reflecting only a small fraction of the millions/billions of bits of information available across the Internet and through other electronic sources.

How to address advanced services?

Based on the Act's use of such phrases as "information services," and its legislative history discussing the ability of libraries to obtain specific kinds of materials such as government information, "advanced" services for libraries should include a broader group of services than "core" and "special" services for libraries.

ALA encourages the Commission to use the same definition of libraries and to consider encouraging pricing mechanisms that provide predictability and stability for publicly funded institutions such as libraries that must budget funds up to two years in advance and that cannot pass on the costs of infrastructure to users. Mechanisms such as flat-rate pricing would encourage libraries and schools to explore use of advanced services and applications.

We'd also like you to know that our Comments have been endorsed by the American Association of Law Libraries, the Association of Research Libraries, the Chief Officers of State Library Agencies, and the Urban Libraries Council. We know that you will also see a number of other comments from libraries and state agencies as part of this universal service proceeding, as well as the joint filing in which ALA has also participated with several education organizations.

ALA will comment further in future phases of this regulatory proceeding. I know that our entire organization, especially our staff here in Washington, stand ready to work with you and other stakeholders in this important proceeding. There is much to be done to make sure that we provide equity on the information superhighway. We cannot afford to become a Nation of the information rich vs. the information poor. Establishing effective universal service policies is absolutely necessary to prevent an uneven playing field.

Libraries contribute to economic vitality and increased productivity; they improve literacy; and broaden the horizons and opportunities for people of all ages and backgrounds -- youth, scholars, emerging minorities, new immigrants, our growing number of older Americans.

Without technologically sophisticated libraries in every community, the evolving infrastructure will only widen the gulf between the information rich and the information poor. We look forward to working with all of you and your colleagues in the states to ensure "Equity on the Information Superhighway."

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AMERICAN LIBRARY ASSOCIATION
EXECUTIVE SUMMARY

Comments to Federal Communications Commission
CC Docket 96-45, Federal State Joint Board on Universal Service
April 10, 1996

ALA's separate comments in this proceeding emphasize implementation of the special provisions for libraries and schools in the Telecommunications Act of 1996.

TELECOMMUNICATIONS SERVICES TO BE PROVIDED AT A DISCOUNT TO LIBRARIES AND SCHOOLS

Recommendation: Any telecommunications service offered by a carrier commercially under tariff or through contract in a region should made available to libraries at a discount.

Rationale: The primary mission of libraries, in this electronic age, is to provide the American public with access to the full panoply of electronic information resources available either commercially or in the public domain. Thus, libraries require access to telecommunications services that allow them to provide public access to most commercially or publicly available information resources available at any given time over the telecommunications infrastructure.

DISCOUNT METHODOLOGY TO BE USED FOR TELECOMMUNICATIONS SERVICES FOR LIBRARIES AND SCHOOLS

Recommendation for all libraries: Any telecommunications service offered commercially under tariff or through contract in a region should be made available to libraries at the lower of either (1) the lowest price offered to any customer, or (2) the Total Service Long Run Incremental Cost (TS-LRIC). This recommendation has similarities to wholesale rates and covers a carrier's cost plus a return on investment. We recommend that it not require reimbursement from the universal service fund nor offsets to carrier contributions to universal service obligations except for libraries in rural, insular, and high cost areas.

Rationale: TS-LRIC is a forward looking incremental cost concept used in the telecommunications and other industries; it covers a company's cost of offering a service and has similarities to a wholesale price. ALA's recommended discount methodology was developed based on the following factors:

1. Maximizes benefit to schools and libraries;
2. Minimizes impact on the universal service fund
3. Is efficient to administer;

4. Evolves as technology evolves;
5. Is predictable and competitively and technologically neutral;
6. Can be harmonized with State approaches;
7. Allows for innovative packaging of low-cost services to schools and libraries; and
8. Can be equitably provided across the nation and mong demographic groups.

Providing discounted access for libraries will generate tangible and significant economic benefits to the telecommunications providers and to the broader information industry in the forms both of avoided costs and increased demand. Benefits directly to the industry include: increasing market demand for specialized information services; providing public exposure for new services; providing user test-beds for new services; improving user literacy; saving providers at least some advertising, marketing and educational expenses: and providing these cited benefits in a competitively neutral manner.

Recommendation for libraries in rural, insular, and high cost areas: In addition to the discount recommended above for all libraries, libraries in rural, isolated, and high cost areas should receive further discounts on both core universal services and special services through whatever mechanism is established to average the rates in these areas through the universal service fund.

Rationale: Even with major efforts underway by libraries themselves, their local sources of support, and with private sector, State, and Federal stimulus assistance, achieving high capacity, affordable connections to libraries in rural, insular, and high cost areas has encountered many special barriers due to the same characteristics of these areas that require special attention for residents in these areas. Further, for these libraries, telecommunications costs are a much higher percentage of overall library budgets.

TERMS AND CONDITIONS TO MEET LAW'S REQUIREMENTS AND TO IMPLEMENT DISCOUNT MECHANISMS

Recommendations:

Carriers. Carriers would be required to certify that their quoted rate is the TS-LRIC rate and that no customer is being offered the service at a lower rate. Publicly available information would be needed on telecommunications services available commercially in a region under tariff or by contract arrangement.

Libraries. ALA agrees that written certification is a simple, effective and appropriate mechanism for ensuring compliance with the Telecommunications Act's terms and conditions required of libraries, such as using discounted telecommunications services for educational purposes, not reselling discounted telecommunications services and network capacity, assuring a "bona fide request" from a library, and meeting library eligibility requirements.

ALA provides examples and documentation of the broad educational purposes libraries serve and their role in promoting literacy, including technological literacy; of the educational and technological support role of library agencies, cooperatives, consortia and networks. ALA makes recommendations to ensure that probitions against reselling do not discourage libraries from sharing networks with parties not eligible to receive support nor discourage community partnerships.